

February 23, 2018

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

RE: Duke Energy Carolinas, LLC - Proposed Modifications to the Power
Manager Load Control Service - Rider PM
Docket No. 2013-298-E

Dear Ms. Boyd:

Pursuant to Commission Order No. 2013-889, Duke Energy Carolinas, LLC ("DEC") hereby submits for approval modifications to its Power Manager Load Control Service - Rider PM ("Program"). This letter is accompanied by the following attachments:

Attachment A - The proposed program tariff;
Attachment B - The projected program participation and impacts data; and
Attachment C - The program cost-effectiveness test results.

The proposed modifications are designed to modernize the Program by classifying certain customer-owned "smart" thermostats as load control devices. To that end, DEC is requesting that the Commission approve the following modifications to the Program:

1. The inclusion of eligible thermostats and related incentives and service charges; and
2. Allow DEC to issue incentive payments in a variety of ways, including, but not limited to, bill credits, checks, and prepaid credit cards.

DEC will seek recovery of applicable Program costs and utility incentives through its annual Demand-Side Management and Energy Efficiency ("DSM/EE") cost-recovery rider, consistent with the DSM/EE cost-recovery procedures approved in Docket No. 2013-298-E.



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DEC respectfully requests Commission approval of the modifications to the Program tariff at the Commission's earliest convenience. Upon approval of the program by the Commission, DEC will complete its implementation plans and make the Program available to its customers in South Carolina as soon as reasonably possible.

Yours truly,

Frank R. Ellerbe, III

FRE:tch

Enclosures

cc w/enc: Parties of Record

RIDER PM (SC)
POWER MANAGER LOAD CONTROL SERVICEAVAILABILITY (South Carolina only)

Available to individually metered residential customers receiving concurrent service from the Company on Schedule RS, RE, RB or ES, who are not served under Rider NM. Participating Customers may choose to employ (1) Company-provided Load Control Device(s) or (2) eligible Customer-owned thermostat(s) to interrupt service to each installed, approved electric central air conditioning unit and/or electric heat pump and to monitor their operation under the provisions of this Rider.

Customers choosing to employ Company-provided Load Control Device(s) contracts for Company or its representative to install and operate the necessary control equipment in a location provided by Customer and suitable to Company in or about the residential dwelling unit. This option is only available where Company has the necessary communications equipment installed and where load control signal can be satisfactorily received at Company's specified location on Customer's residence.

Customers choosing to employ their own eligible thermostat(s), listed on the Company's website, must have the thermostat(s) configured in a manner which allows the Company to remotely communicate and control Customer's equipment.

Company shall be allowed to monitor Customer's load or any part thereof and the operation of controlled appliances, at no charge, to Customer under the provisions of this Rider. To participate in the program, Customer must either own and occupy the residence or occupy and provide Company with owner-consent.

PAYMENT OF INCENTIVES

The Company's payment of Incentives may be offered in a variety of ways, including, but not limited to, bill credits, checks, and prepaid credit cards as follows:

- Monthly Incentive for Company-provided Load Control Device(s) for billing months of July through October - \$8 per residence per billing month.
- Initial Incentive for Customer-provided eligible Thermostat(s) - \$75 per residence
- Annual Incentive for Customer-provided eligible Thermostat(s) - \$25 per residence

The total credits on any monthly bill shall not exceed 35% of the current monthly bill calculated on the appropriate rate schedule exclusive of such credits. In addition, the monthly bill shall not be less than the Basic Facilities Charge for the applicable schedule.

APPROVED CENTRAL AIR CONDITIONING UNIT

An approved electric central air conditioning and/or electric heat pump unit is a central electric air conditioning unit used to cool the residence through a ducted system. All central air conditioning and/or electric heat pump units installed at the residence must participate in load control in order to receive Monthly or Annual Incentive.

INTERRUPTION PERIODS

The Company shall have the right to interrupt service to the Customer's central air conditioning (cooling) systems at any time the Company has capacity problems, including generation, transmission or distribution capacity problems or reactive power problems.

In addition, the Company shall have the right to intermittently interrupt (cycle) service to the Customer's central electric air conditioning (cooling) systems. The Company will restrict its operation of the load control devices so that during the eighteen (18) hour period from 6:00 a.m. to 12 midnight, the total duration of cycling interruption shall not exceed ten (10) hours.

The Company, at its sole discretion, may limit requests for curtailment to geographic regions for valid reasons. The Company reserves the right to test the function of these load control provisions at any time.

If Customer employing thermostat option exceeds two (2) control event overrides annually, Customer may be subject to removal from the program and shall forfeit the next subsequent Annual Incentive for that residence. If Company is unable to communicate with Customer's thermostat(s) during a load control event, it will be counted as a control event override.

CONTRACT PERIOD

The Company offers a contract for customers allowing load control for an initial term of one year and thereafter until terminated by either party on thirty days' written notice. The Company reserves the right to terminate the Customer's contract under this Rider at any time upon notice to the Customer for violation of any of the terms or conditions of the applicable schedule or this Rider. If within the first year, the Customer wishes to discontinue participation in this Program, the Customers using Company provided Load Control Device(s) will pay a \$25 service charge and Customers who have received initial thermostat based incentive will pay a \$75 service charge. Upon termination, the load control device(s), at Customer's residence will be remotely disabled to prevent further load control.

Bring Your Own Thermostat / Power Manager

Attachment B Participation

Bring Your Own Thermostat / Power Manager		
1	Measure Life (Average)	1
2	Free Rider % (Average)	0%
3	Incremental Participants Year 1	19,807
4	Incremental Participants Year 2	50,764
5	Incremental Participants Year 3	80,210
6	Incremental Participants Year 4	109,371
7	Incremental Participants Year 5	143,100
8	Cumulative Participation Year 1	19,807
9	Cumulative Participation Year 2	50,764
10	Cumulative Participation Year 3	80,210
11	Cumulative Participation Year 4	109,371
12	Cumulative Participation Year 5	143,100
13	Cumulative Summer Coincident kW w/ losses (net free) Year 1	34,496
14	Cumulative Summer Coincident kW w/ losses (net free) Year 2	75,884
15	Cumulative Summer Coincident kW w/ losses (net free) Year 3	114,927
16	Cumulative Summer Coincident kW w/ losses (net free) Year 4	153,095
17	Cumulative Summer Coincident kW w/ losses (net free) Year 5	195,184
18	Cumulative kWh w/ losses (net free) Year 1	0
19	Cumulative kWh w/ losses (net free) Year 2	0
20	Cumulative kWh w/ losses (net free) Year 3	0
21	Cumulative kWh w/ losses (net free) Year 4	0
22	Cumulative kWh w/ losses (net free) Year 5	0
23	Per Participant Weighted Average Coincident Saved Winter kW w/ losses	0.00
24	Per Participant Weighted Average Coincident Saved Summer kW w/ losses	1.74
25	Per Participant Average Annual kWh w/ losses (net free) Year 1	0
26	Per Participant Average Annual kWh w/ losses (net free) Year 2	0
27	Per Participant Average Annual kWh w/ losses (net free) Year 3	0
28	Per Participant Average Annual kWh w/ losses (net free) Year 4	0
29	Per Participant Average Annual kWh w/ losses (net free) Year 5	0
30	Cumulative Lost Revenue (net free) Year 1	\$0
31	Cumulative Lost Revenue (net free) Year 2	\$0
32	Cumulative Lost Revenue (net free) Year 3	\$0
33	Cumulative Lost Revenue (net free) Year 4	\$0
34	Cumulative Lost Revenue (net free) Year 5	\$0
35	Average Lost Revenue per Participant (net free) Year 1	\$0
36	Average Lost Revenue per Participant (net free) Year 2	\$0
37	Average Lost Revenue per Participant (net free) Year 3	\$0
38	Average Lost Revenue per Participant (net free) Year 4	\$0
39	Average Lost Revenue per Participant (net free) Year 5	\$0
40	Total Avoided Costs/MW saved Year 1	\$124,204
41	Total Avoided Costs/MW saved Year 2	\$126,491
42	Total Avoided Costs/MW saved Year 3	\$129,323
43	Total Avoided Costs/MW saved Year 4	\$132,414
44	Total Avoided Costs/MW saved Year 5	\$135,627
45	Total Avoided Costs/MWh saved Year 1	N/A
46	Total Avoided Costs/MWh saved Year 2	N/A
47	Total Avoided Costs/MWh saved Year 3	N/A
48	Total Avoided Costs/MWh saved Year 4	N/A
49	Total Avoided Costs/MWh saved Year 5	N/A

Bring Your Own Thermostat / Power Manager

Attachment C Cost-Effectiveness Evaluation

Bring Your Own Thermostat / Power Manager					
		UCT	TRC	RIM	Participant
1	Avoided T&D Electric	\$76,973,205	\$76,973,205	\$76,973,205	\$0
2	Cost-Based Avoided Elec Production	\$0	\$0	\$0	\$0
3	Cost-Based Avoided Elec Capacity	\$86,503,379	\$86,503,379	\$86,503,379	\$0
4	Participant Elec Bill Savings (gross)	\$0	\$0	\$0	\$0
5	Net Lost Revenue Net Fuel	\$0	\$0	\$0	\$0
6	Administration Costs	\$6,943,644	\$6,943,644	\$6,943,644	\$0
7	Implementation Costs	\$36,751,523	\$36,751,523	\$36,751,523	\$0
8	Incentives	\$22,812,488	\$0	\$22,812,488	\$22,812,488
9	Other Utility Costs	\$2,935,047	\$2,935,047	\$2,935,047	\$0
10	Participant Costs	\$0	\$0	\$0	\$0
11	Total Benefits	\$163,476,584	\$163,476,584	\$163,476,584	\$22,812,488
12	Total Costs	\$69,442,702	\$46,630,214	\$69,442,702	\$0
13	Benefit/Cost Ratios	2.35	3.51	2.35	
Data represents present value of costs and benefits over the life of the program.					